Exhibit 77

COWEN
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Financial Services

FXCM

COWEN CREDIT RESEARCH & TRADING

Credit Research

Company Note

February 7, 2017

Price: $3.12 (02/7/2017)

FXCM Settles with Regulators, Plans to Exit U.S. Business

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Key Data

Symbol	NYSE: FXCM
Market Cap (MM)	$17.5

The Cowen Insight

FXCM announced it (1) had reached a settlement with regulators and (2) would be exiting the U.S. business and has signed a non-binding LOI to sell its U.S. customer accounts. The deal would potentially free up ~$52 million in capital to be applied to TL with possibly limited impact on EBITDA, but it also raises major new questions. Here we provide an updated look at valuation and the situation.

If one assumes that the U.S. exit is only slightly negative to EBITDA and that the sale of the remaining discontinued operations is a, somewhat arbitrary, $75 million, then we estimate that the remaining business would only need a 3.0x TEV multiple on a hypothetical $35 million run-rate to justify a convertible price in the current $27 ballpark. This does not appear particularly aggressive to us, but at the same time it's important to recognize that the company's EBITDA is volatile in the best of times (with the new developments creating even greater uncertainty). To the degree Leucadia does ever exercise its new right to unilaterally alter the bonus plan and remove management from the waterfall, it might raise some new management issues but could actually make the waterfall more favorable to convertible holders.

Discussion on New Developments

FXCM announced late yesterday that it had reached agreements with the National Futures Association (NFA) and Commodity Futures Trading Commission (CFTC) settling charges that the company did not disclose to customers that it had an interest in the market maker that traded the largest share of FXCM's trading volume. The CFTC order found that the market maker paid roughly 70% of the revenues generated from FXCM's platform back to FXCM. To be clear, this matter was not in the August complaint from the CFTC. We believe this new settlement resolves this new issue and at least some of the issues that had been part of the original August complaint.

To settle the charges, FXCM will pay $7 million to the CFTC and no monetary damages to the NFA. The company will also be shutting down its U.S. business. To that end, FXCM has already signed a non-binding letter of intent with GAIN Capital to sell its U.S. customer accounts for an undisclosed amount. The transaction is subject to regulatory approval, but given the circumstances, we believe that regulators will likely approve the sale of the accounts.

While the U.S. operations generated $48 million in revenues in 2016, they were also EBITDA negative; if FXCM is able to reduce most of the costs associated with the U.S. business, the sale of the business may not reduce go forward EBITDA too much. But it's no sure thing they can cut costs that much; for example, we think it depends on how they were allocating some corporate level expenses to the U.S. previously. Also, as a financial services company, it is certainly not a good thing for their ongoing foreign operations that they were pretty much forced out of the U.S. and that their debt and equity prices put parent level solvency into question (at least in the market's minds). Solvency was, of course, always a question but now it is a front and center question.

The company will be terminating 150 employees (roughly 18% of the workforce) as part of the restructuring of its business. We estimate severance and wind-down costs,

Please see pages 4 to 7 of this report for important disclosures.

which the company expects to (mostly) recognize in 1Q17, at roughly $10 million. FXCM's remaining operations are now in the U.K. and Australia.

The move also frees up ~$52 million in capital that the company intends to apply to paying down the Leucadia term loan. We believe that any proceeds (likely modest) from the sale will be applied to paying down the term loan as well.

Lastly, FXCM disclosed that an amendment was made to the management agreement between FXCM Holdings, LLC and FXCM Group, LLC that allows for the agreement to be terminated by a vote of at least three board members after the occurrence of certain events. There are currently three Leucadia appointees on the board. The agreement had previously required a majority vote for termination. It is not clear to us what a vote for termination of the management agreement would mean for FXCM, but it is worth noting that Leucadia now could potentially have the power to exercise that option unilaterally. Also worth noting is an amendment to the bonus plan for management. Leucadia now has the right to unilaterally remove management from the waterfall. In such a case, the waterfall would revert to its prior form.

We have made several updates to our calculator in response to the release. First, we have reduced the outstanding Leucadia term loan by $57 million as management has indicated to us that the capital freed up by the exit from the U.S. business ($52 million) will be applied to paying down term loan. We also believe that any proceeds from the sale of the customer base will be applied to paying down the term loan, but with negative EBITDA and it essentially being a forced sale, we estimate the transaction at only $5 million. Second, we are adjusting our estimated excess cash from ~$70 million to $20 million for the following reasons: (1) the $52 million of capital that is to be applied to paying down term loan includes $16 million in excess capital; (2) between the fine and severance expenses, the company will be paying another $17 million over the next quarter or two; and (3) after subsequent conversations with management, our $70 million estimate of excess capital was perhaps a bit high if we are valuing the company as an ongoing entity. In the event of a sale to a strategic buyer, it is quite possible that more of the excess cash would be freed up. We may make further adjustments to our excess cash assumption after we get more clarity on the deal, and it could easily move up or down ~$10-$15 million from our new $20 million assumption.

If one assumes that the U.S. exit is only slightly negative to EBITDA and that the sale of the remaining discontinued operations is a, somewhat arbitrary, $75 million, then we estimate that the remaining business would only need a 3.0x TEV multiple on a hypothetical $35 million run-rate to justify a convertible price in the current $27 ballpark. This does not appear particularly aggressive to us, but at the same time it's important to recognize that the company's EBITDA is volatile in the best of times (with the new developments creating even greater uncertainty). To the degree Leucadia does ever exercise its new right to unilaterally alter the bonus plan and remove management from the waterfall, it might raise some new management issues but could actually make the waterfall more favorable to convertible holders.

Figure 1 Leucadia Waterfall and Sensitivity Analysis

We don't have a point estimate for the exact value, but in the table below we show one of the infinite set of permutations that would lead to a total asset value on the convertible in the 27 cents on the dollar range, which is where they have traded today

In the tables to the right, which are built off of the same cash and waterfall assumptions, we show convertible recovery sensitivities for a range of EBITDA levels and multiples for the continuing ops on the x-axis and a range of asset sale proceeds for the other business on the y-axis.

Potential Scenario Implied by Convert Trading Level

Sources of Value		$MM
Net Estimated Excess Cash		20
Remaining Asset Sales		75
Continuing Ops Adj EBITDA		35
TEV Multiple		*3.00x*
TEV		105
Total		**200**
Waterfall Distribution		
Tier1: Amounts owed to Term Loan		
Outstanding Principal on TL	100%	(96)
Residual		105
Tier 2: Next $350MM		
Leucadia	45%	47
FXCM	45%	47
Management	10%	10
Residual		-
Tier 3: Next $500MM		
Leucadia	79%	-
FXCM	9%	-
Management	12%	-
Residual		-
Tier 4: Thereafter		
Leucadia	52%	-
FXCM	34%	-
Management	14%	-
Recovery on Convertible Notes		**27%**
Residual		-

Source: Company filings, Cowen and Company

3.0x TEV Multiple

Proceeds from Asset Sales ($MM)	Annual Adjusted EBITDA							
	$0	$10	$20	$30	$40	$50	$60	$70
$25	0%	0%	2%	10%	18%	26%	34%	42%
$50	0%	1%	9%	17%	25%	32%	40%	48%
$75	0%	8%	16%	23%	31%	39%	47%	55%
$100	6%	14%	22%	30%	38%	46%	53%	61%
$125	13%	21%	29%	36%	44%	52%	60%	68%
$150	19%	27%	35%	43%	51%	59%	66%	74%
$175	26%	34%	42%	49%	57%	65%	73%	81%

4.0x TEV Multiple

Proceeds from Asset Sales ($MM)	Annual Adjusted EBITDA							
	$0	$10	$20	$30	$40	$50	$60	$70
$25	0%	0%	8%	18%	29%	39%	49%	60%
$50	0%	4%	14%	25%	35%	46%	56%	66%
$75	0%	10%	21%	31%	42%	52%	62%	73%
$100	6%	17%	27%	38%	48%	59%	69%	79%
$125	13%	23%	34%	44%	55%	65%	76%	86%
$150	19%	30%	40%	51%	61%	72%	82%	92%
$175	26%	36%	47%	57%	68%	78%	89%	93%

5.0x TEV Multiple

Proceeds from Asset Sales ($MM)	Annual Adjusted EBITDA							
	$0	$10	$20	$30	$40	$50	$60	$70
$25	0%	0%	13%	26%	39%	52%	65%	78%
$50	0%	6%	19%	32%	46%	59%	72%	85%
$75	0%	13%	26%	39%	52%	65%	78%	91%
$100	6%	19%	32%	46%	59%	72%	85%	93%
$125	13%	26%	39%	52%	65%	78%	91%	94%
$150	19%	32%	46%	59%	72%	85%	93%	95%
$175	26%	39%	52%	65%	78%	91%	94%	96%

6.0x TEV Multiple

Proceeds from Asset Sales ($MM)	Annual Adjusted EBITDA							
	$0	$10	$20	$30	$40	$50	$60	$70
$25	0%	2%	18%	34%	49%	65%	81%	92%
$50	0%	9%	25%	40%	56%	72%	87%	94%
$75	0%	16%	31%	47%	62%	78%	92%	95%
$100	6%	22%	38%	53%	69%	85%	93%	96%
$125	13%	29%	44%	60%	76%	91%	94%	97%
$150	19%	35%	51%	66%	82%	93%	96%	99%
$175	26%	42%	57%	73%	89%	94%	97%	100%

Source: Cowen and Company. As of 2/7/17.

Valuation Methodology And Risks

Valuation Methodology

Credit & Cross Capital:

Our valuation is based on a number of factors, including but not limited to, an issuer's underlying business prospects and credit profile as well as current market conditions. Our view of an issuer's business outlook includes, but is not limited to: (1) an assessment of relevant industry trends, (2) the issuer's position within its industry and how its position might change over time, (3) management's strategy and the likelihood that management will be able to execute its strategy. Our view of the issuer's credit profile includes, but is not limited to, the issuer's: (1) overall leverage as well as the composition of its leverage, (2) liquidity and its ability to meet its obligations as they come due, and (3) the value of its assets. Our valuation of a specific security includes, but is not limited to: (1) the potential recovery in a variety of scenarios, including financial restructurings, and the probability of each, and (2) its liquidity relative to other securities. Our valuation contemplates a variety of capital market environments.

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Investment risks include, but are not limited to: (1) industry trends, (2) changes in the issuer's competitive position, (3) management's strategy and its ability to execute its strategy, (4) the issuer's financial and operational leverage, (5) the issuer's liquidity versus its cash requirements, (6) changes in the issuer's ability to access the capital markets, and (7) changes in the liquidity of a particular security.

Addendum

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Ticker	Company Name
FXCM	FXCM

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